



STATE BOARD OF EQUALIZATION

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Executive Secretary

No. 87/31

March 26, 1987

TO COUNTY ASSESSORS:

TAXABLE GOVERNMENT-OWNED PROPERTY (SECTION 11 ASSESSMENTS)
PETITION OF CITY AND COUNTY OF SAN FRANCISCO
BEFORE THE STATE BOARD OF EQUALIZATION

Enclosed is a copy of the findings and decision involving the petition of the City and County of San Francisco for review of assessments made by Alameda County. These findings were adopted by the Board at its meeting on November 19, 1986.

The discussion of the petitioner's contentions, particularly issues one and two on pages 3 through 8, is provided for your information. The views expressed in this decision, especially those dealing with Assessors' Letter 82/136, will be of special interest to any assessor making Section 11 valuations.

Sincerely,

A handwritten signature in cursive script that reads "Verne Walton".

Verne Walton, Chief
Assessment Standards Division

VW:sk
Enclosure



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BEFORE THE STATE BOARD OF EQUALIZATION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
THE CITY AND COUNTY OF SAN FRANCISCO,)
A MUNICIPAL CORPORATION, Petitioner,)
for the Review, Equalization, and)
Adjustment of Assessments by the)
County Assessor of the County of)
Alameda, California, for Assessment)
Years 1979, 1980, 1981, 1982, 1983,)
and 1985)

FINDINGS AND DECISION

Petitioner, City and County of San Francisco, a municipal corporation (hereinafter "San Francisco"), filed for equalization of assessment pursuant to subdivision (g) of section 11 of article XIII of the Constitution of the State of California and section 1840 of the Revenue and Taxation Code. It contends the County Assessor of the County of Alameda (hereinafter "assessor" or "Alameda") incorrectly assessed its properties located in Alameda County for lien dates 1979, 1980, 1981, 1982, 1983 and 1985.

The parties appeared before this Board on July 30, 1986, to present evidence and make arguments. The properties involved in this matter are land, improvements and water rights which have been owned by San Francisco since prior to the 1967 lien date. The major property at issue is Calaveras Dam, an earth-and-rock-fill dam about 230 feet high with a storage capacity of about 100,000 acre feet of water.

Historical Background

For the 1975-76 assessment year, the assessor assessed petitioner's land and improvements at their 1967-68 assessed value multiplied by the "Phillips Factor" of 1.54343. As a result of the use of the Phillips Factor, the assessed value for the 1975-76 assessment year was greater than the assessed value for the 1974-75 assessment year. The assessor and San Francisco agree that assessing the improvements (as distinguished from the land) by use of the 1967 assessment value multiplied by the Phillips Factor was incorrect.

The assessor continued to use the Phillips Factor to value the improvements through the 1977-78 assessment year.

Upon adoption of California Constitution article XIII A (hereinafter "Proposition 13" or "article XIII A") by the voters, the assessor valued the improvements for the 1978-79 and 1979-80 assessment years at their 1975-76 enrolled value indexed by the inflation factor prescribed in article XIII A.

On October 19, 1979, the State Board of Equalization issued a letter to assessors advising that improvements (taxable when acquired) subject to assessment under the California Constitution article XIII, section 11 (hereinafter "article XIII, section 11"), were to be assessed at their "current fair market value" with no consideration given to the provisions of article XIII A.

For the 1980-81 assessment year, the assessor assessed petitioner's improvements at their March 1, 1980, fair market value. These values were entered on the 1980-81 assessment roll on June 19, 1980. This roll was surrendered to the Alameda County auditor on or about July 28, 1980.

On July 14, 1980, San Francisco filed its application challenging the assessment of its property for the 1980-81 assessment year, requesting the Board to "review, equalize and adjust" its assessment "to correct amounts as provided for by law." In July, 1981, it amended its 1980-81 application to specifically request the review, equalization and adjustment of its improvements. (Subsequently, San Francisco filed applications for the 1981-82 and later assessments years.)

In November 1981, San Francisco filed Points and Authorities in support of the proposition that "Taxable When Acquired" improvements of a local government are subject to valuation under Jarvis-Gann, or in the alternative under the Phillips Formula.

On December 7, 1982, the State Board of Equalization issued an assessors' advice letter informing assessors that it had re-examined its advice as set forth in its October 19, 1979, letter and concluded that taxable improvements owned by local governments were subject to the valuation standard defined in article XIII A and, therefore, were assessable at the lower of their current full cash value as defined in Revenue and Taxation Code section 110 or at their full cash value as defined in section 110.1. As applied to San Francisco, this meant that its improvements should be assessed at their 1975-76 full cash value indexed forward for inflation.

On August 15, 1983, the assessor corrected the 1980-81, 1981-82, and 1982-83 assessments of petitioner in accord with the advice of the State Board of Equalization. The corrected

assessments reflect a revised 1975-76 fair market value that was indexed by the appropriate inflation factor for each of the respective assessment years. According to the data submitted by the parties, these corrections reduced the original assessments in most cases.

Petitioner's Contentions

1. San Francisco contends the limiting features of California Constitution, article XIII A, apply to the assessment of its land, water rights and improvements located in Alameda County.

The assessor applied the valuation standard defined in article XIII A to the assessment of San Francisco's improvements (as will be discussed later herein). San Francisco argues that the "valuation rollback" provisions of article XIII A should also be applied to the assessment of its land and water rights located in Alameda County. (Note that water rights are assessed as "land" in California.) In support of its position San Francisco cites Los Angeles Country Club v. Pope (1986) 175 Cal.App.3d 278. This decision, it says, held Revenue and Taxation Code section 52 (hereinafter "section 52") to be illegal and unconstitutional. Subdivision (d) of that section mandates that the class of property at issue shall be assessed pursuant to article XIII, section 11. Based upon its interpretation San Francisco suggests the Board can ignore the mandate of section 52(d).

San Francisco's interpretation of the Los Angeles Country Club decision is clearly erroneous. The decision dealt solely with subdivision (c) of section 52 dealing with the assessment of nonprofit golf courses. Subdivision (c) provides that property subject to valuation as a golf course pursuant to the California Constitution article XIII, section 10 (hereinafter "article XIII, section 10"), shall be valued for property tax purposes in accordance with that section. The court acknowledges that the legislative intent of subdivision (c) was to exclude nonprofit golf courses from the valuation rollback provisions of Proposition 13. Rather than holding subdivision (c) illegal and unconstitutional, however, the court held that the language employed by the legislature "did not effectively preclude plaintiff's property from the tax limitation protection provided by" Proposition 13 (Los Angeles Country Club v. Pope, *supra*, at page 286). The court's conclusion is based on the language of article XIII, section 10, which declares that nonprofit golf courses shall be assessed on the basis of their use as golf courses. The court found no ambiguity or conflict between section 10 and the provisions of Proposition 13 and held that the Legislature was without authority to interpret these provisions in section 52(c).

Thus, it concluded that both provisions are applicable to the assessment of the golf courses. The court's decision is based solely upon the valuation provisions applicable to nonprofit golf courses and subdivision (c) of section 52. There were no issues raised and no discussion in this decision of the provisions applicable to the assessment of land or water rights owned by local government outside its boundaries or to the other types of specially assessed property listed in section 52.

Subdivision (d) of section 52 expressly requires the assessment of San Francisco's property in accordance with article XIII, section 11. Further, the court acknowledged that the legislative purpose of section 52 was to exclude the property described therein from the valuation rollback provisions of Proposition 13. While it may be concluded that the brief general language of article XIII section 10, relating to the assessment of golf courses, does not conflict with Proposition 13, the very detailed and explicit valuation mandate included in section 11, relating to municipally-owned land, precludes a similar conclusion by us. For example, subdivision (b) of section 11 expressly requires the assessment of taxable land located in Inyo County year by year in accordance with a precise mathematical formula. A similar formula applies to the land of Mono County. The Mono County formula is also mandated in the assessment of land owned by other counties. After reading the lengthy, complex provisions of section 11, it is difficult to conclude that there is no ambiguity or conflict with the provisions of Proposition 13, and, therefore, the legislature is without authority to interpret these provisions. Such a conclusion must be left to the courts.

In light of the prohibition of the California Constitution article III, section 3.5, preventing us from declaring a statute unenforceable on constitutional grounds and the acknowledged legislative intent of section 52, we are compelled to reject San Francisco's contention and conclude that its land and water rights must be assessed solely on the basis of article XIII, section 11, as required by section 52(d).

2. San Francisco contends that the assessor is prevented by law from correcting the original 1975 value of Petitioner's improvements in accord with Assessors Letter No. 82/136.

Effective July 10, 1979, chapter 242 of the Statutes of 1979 (AB 1488) added section 52 to the Revenue and Taxation Code for the acknowledged purpose of excluding the property described therein from the valuation rollback provisions of Proposition 13. The interaction of section 52 with Proposition 13 and related legislation created difficult interpretational problems for assessors. These interpretational problems extended to

property subject to valuation pursuant to section 11 of article XIII. For example, section 11 includes extensive and detailed provisions prescribing the assessment standard to be applied to taxable land. On the other hand, the section is virtually silent on the valuation standard which is to be applied to taxable improvements. The only express standard is found in subdivision (d) which relates to a taxable improvement which is replaced after March 1954 while owned by and in possession of a local government. The standard provided is that the replacement improvement shall be assessed "as other improvements" with the limitation that the assessed value may not exceed the highest full value ever used for taxation of the improvement that has been replaced. One reasonable interpretation of subdivision (d) is that the framers of section 11 intended that all other taxable improvements owned by a local government would also be assessed "as other improvements" but that the assessment would not be subject to the limitation imposed for improvement replacements added after March 1954.

In order to assist assessors in resolving the difficult interpretational questions posed by section 11 of article XIII and section 52 of the Revenue and Taxation Code, the Board issued Assessors Letter No. 79/187, dated October 19, 1979, which dealt in part with the assessment of taxable government-owned property. The letter advised assessors to value taxable government-owned improvements at current fair market value. Relying upon the Board's advice, which was intended to provide a statewide standard for assessors to apply when assessing the described type of property, the assessor's 1980-81, 1981-82 and 1982-83 assessments of San Francisco's improvements reflected current fair market value.

On December 7, 1982, the State Board of Equalization issued Assessors Letter No. 82/136 which stated that the Board had re-examined its policy regarding the valuation of taxable government-owned property. The letter reaffirms that such properties are subject to valuation under section 11 of article XIII but concludes that taxable improvements should be assessed using the valuation standard defined in article XIII A. In general, the letter advised that taxable improvements should be assessed at the lesser of the current full cash value as defined in section 110 or their full cash value as defined in section 110.1 of the Revenue and Taxation Code. This resulted in the August 15, 1983 reduction in the 1980-81, 1981-82 and 1982-83 assessments of San Francisco's improvements in accordance with Assessors Letter No. 82/136. These corrected values reflected the March 1, 1975, full cash value appropriately adjusted for the inflation factor.

San Francisco contends that the assessor's 1983 assessment reductions, in effect, revised the 1975 base year values of its taxable improvements. Pointing to the terms of section 110.1, San Francisco argues that the Legislature has enacted a statutory bar to the revision of any 1975 base year value after June 30, 1980. It is contended that since the assessor did not meet this deadline, the assessments of San Francisco's taxable improvements cannot exceed the unrevised 1975 enrolled values, appropriately adjusted for inflation.

We disagree. Initially, it should be recognized that Petitioner challenged the 1980-81 assessment enrolled by the assessor. Pursuant to section 11 of article XIII, that is the assessment which is subject to review, equalization and adjustment by the Board. If the 1983 reduction in the 1980-81 assessment had the effect of revising Petitioner's 1975 base year value, the Petitioner has failed to explain why the original 1980-81 assessment which was enrolled on June 19, 1980, did not also have the same effect of revising Petitioner's 1975 base year values. If so, the revision was made prior to the June 30, 1980, deadline and was timely.

The fact is that a discussion of base year values is irrelevant to the assessment issues before us. Such arguments assume that the property under discussion is subject to Proposition 13. As previously stated, the mandate of subdivision (d) of Revenue and Taxation Code section 52 requires that we reject this proposition. In fact, Petitioner's improvements are subject to assessment only under section 11 of article XIII. While our examination of the difficult and technical interpretational problems presented by section 11 have led us to the conclusion that the framers of that provision intended that we apply the valuation standard currently applicable to improvements in general, that merely means that section 11 improvements are subject to the valuation standard of Proposition 13 and nothing more. The valuation standard of Proposition 13, as interpreted by the Legislature, is defined in section 110.1 (for purposes of the property under discussion) as the fair market value as determined pursuant to section 110 for the 1975 lien date, appropriately adjusted thereafter by an inflation factor determined as provided in subdivision (a) of section 51. The remaining provisions of section 110.1 relating to the "base year value" concept and various limitations on adjustments to the 1975 base year values are wholly irrelevant for section 11 of article XIII purposes. The only relevant question is whether the values enrolled by the assessor are consistent with the value standard imposed by section 11, i.e., the value standard imposed by Proposition 13 as described above.

The position urged by San Francisco would work a result which is 1) totally inconsistent with the value standard imposed by section 11 of article XIII, 2) contrary to the intent of the Legislature, and 3) patently unjust.

The 1975-76 assessment of Petitioner's improvements reflected their 1967-68 assessed value multiplied by the Phillip's factor. While San Francisco agrees that this value was incorrect because it did not properly reflect the value standard required by section 11 of article XIII, it argues that the assessor is now barred from applying the correct assessment and must continue to use the original 1975-76 value, with inflation adjustments. That value standard was incorrect in 1975 and, for the reasons explained above, it was incorrect in all succeeding years. The Board's authority to adjust the assessor's valuation is limited to adjustments which conform to the provisions of section 11 of article XIII. (See subdivision (g) of section 11.) Accordingly, we must reject Petitioner's argument.

The California courts have acknowledged that the legislative purpose behind Revenue and Taxation Code section 52 was to exclude the specially assessed property described therein from the valuation rollback provisions of Proposition 13. While the Board has, after considerable review of the difficult interpretive problems involved in the application of section 11 of article XIII to taxable improvements, concluded that the appropriate valuation standard is the standard found in article XIII A, that conclusion in no way requires the importation into section 11 of the base year value concept or its limitations and the other trappings which were brought about by the adoption of Proposition 13. These provisions, such as the June 30, 1980, deadline were adopted in order to settle and stabilize property tax assessments being made under the provisions of Proposition 13. There is no evidence that the Legislature intended any of these provisions to be applicable to section 11 of article XIII assessments. Indeed, the enactment of section 52 supports the contrary conclusion.

Finally, San Francisco's position is freighted with manifest unfairness and inequity. The June 30, 1980, cutoff date for revision of 1975 base year values was adopted by the Legislature on a prospective basis. The enactment of the limitation gave assessors notice and sufficient time to correct valuation errors in the base year values of properties subject to Proposition 13. Indeed, the Legislature took pains to assure that assessors were given a reasonable correction period and extended the deadline for an additional year in the case of the State's largest county, recognizing the need to permit a reasonable period for assessors to make necessary valuation

corrections. Nothing in any of this legislation hinted that the limitations were intended to apply to section 11 of article XIII as well. On the contrary, the adoption of section 52 suggested just the opposite. If the Legislature intended to apply similar limitations to section 11 valuations, surely it would have provided similar prospective notice and lead time for making appropriate adjustments. San Francisco, however, would apply the June 30, 1980, deadline and freeze the admittedly erroneous 1975 assessments even though assessors were given no notice or opportunity to make adjustments prior to that date and, in fact, were not informed of the Board's revised interpretation of section 11 until over two years after that date. Such an interpretation would unfairly and inequitably penalize the counties in this state making assessments pursuant to section 11 and grant an inequitable windfall to those properties being assessed. For this, and the other reasons set forth above, we must reject Petitioner's argument.

3. San Francisco contends the case of Holmdahl v. Hutchinson, Alameda County Superior Court No. H-55317-9, prevents the Alameda County assessor from amending the 1975 valuation of petitioner's property.

In 1978 a lawsuit was filed in Alameda County by State Senator John Holmdahl, et al. (Holmdahl v. Hutchinson et al. Superior Court No. H-55317-9) challenging the assessor's right to amend the 1975 roll value in those instances where the 1975 roll value differed from the 1974 roll value. The court agreed with the plaintiffs, Holmdahl et al., that only those properties that were not subject to a physical appraisal, computer update or any other method of appraisal for the 1975-76 tax year may be reappraised pursuant to the second sentence of Section 2(a) of article XIII A. San Francisco argues the Holmdahl decision applies to its properties. We disagree.

The Holmdahl case was a class action case in Alameda County dealing solely with property in private ownership assessed under the provisions of article XIII A. The court was not dealing with the class of property in which petitioner's property is included. The judgment, therefore, did not order the method by which San Francisco's property should be assessed under the provisions of article XIII, section 11. It is our conclusion that the court's holding does not apply to San Francisco's property.

4. San Francisco contends the assessor erroneously valued its Calaveras Dam property.

Since the petitioner did not describe the land, water rights, or other improvements at issue, nor was evidence of value

presented for these properties, we limit our decision to the March 1, 1975, market value of the dam.

San Francisco submitted an appraisal to show the 1975 value of Calaveras Dam to be \$10,500,000. San Francisco's appraiser uses estimates of the cost of labor and materials to construct a dam of equal utility to the existing structure and depreciates such costs for physical deterioration and functional obsolescence. Both parties agree that the property does not suffer economic obsolescence. The appraiser utilizes cost estimates presented by Wahler Associates, geo-technical and water resources engineers, and by WTF Constructors, Inc., engineering contractors. We accept Wahler Associates as being intimately knowledgeable about Calaveras Dam because they were involved in engineering and cost studies for a 1974 project to modify the dam embankment for improved seismic stability. We accept WTF Constructors to be knowledgeable of the costs of construction of a dam of equal utility to Calaveras Dam because the estimation of such costs is the very nature of their business. The appraiser concludes from the Wahler estimates that the 1975 value of the dam is \$10,500,000 and from the WTF estimates the 1975 value is \$10,000,000. These values depict a dam of modern design, of equal utility to the present Calaveras Dam. The replacement dam would be a 2,599,000 cubic yard earth-and-rock-fill dam. From these estimates the appraiser concludes the 1975 lien date value of Calaveras Dam is \$10,500,000.

The Alameda assessor presents an appraisal which also utilizes the cost approach to determine the 1975 value of the dam. He uses the known 3,461,000 cubic yards of material in the existing dam and an estimated 1975 cost to construct of \$5.90 per cubic yard to arrive at a 1975 embankment cost of \$20,419,900. To this he adds the 1975 costs of the spillway, outlet works and miscellaneous items to arrive at a final 1975 cost of \$22,396,300 for the dam and appurtenant structures. He then reduces this amount by \$3,024,966 to account for physical deterioration and functional obsolescence, to arrive at \$19,371,334 for his 1975 lien date valuation of Calaveras Dam of \$19,370,000. However, the assessor's appraiser testified that his appraisal was not used to establish the assessor's corrected 1975 value, but was being presented only to validate that value of \$12,535,406 and to show that the assessor was not treating San Francisco unfairly.

Upon the evidence presented, we conclude the appraisals of both San Francisco and the assessor are defective in several major respects. First, San Francisco has shown to our satisfaction that a replacement dam would be constructed with only 2,599,000 cubic yards and that the assessor was in error to use the

3,461,000 cubic yards in the existing structure to calculate his replacement cost new value. The reason for the reduced amount of material is clearly explained by San Francisco's appraiser. He shows that a modern dam would be constructed with earth and rock fill compacted to a high unit density. The desired structural strengths would be attained with less material than is in the existing structure. We are persuaded by the evidence that the existing structure is inferior to a modern dam because the existing hydraulic fill embankment was constructed by water-transported earth and rock, a method not approved or utilized by engineers or contractors for the construction of modern dams. As constructed the present dam utilizes much greater quantities of fill material to attain structural strength equal to a modern dam of the same height. Therefore, we find the assessor should have used 2,599,000 cubic yards to estimate the cost of the embankment, instead of the 3,461,000 cubic yards in the existing dam, especially since the assessor used the cost per cubic yard construction costs typical for modern construction methods.

Next, we find both appraisals improperly applied the appraisal principle of substitution. That principle affirms that the maximum value of a property tends to be set by the cost of acquisition of an equally desirable and valuable substitute property assuming no costly delay is encountered in making the substitution. In applying this principle both appraisers use the cost approach wherein they purport to find the depreciated cost of a dam of equal utility to the existing dam. However, as we will explain, both appraisals improperly measure the depreciation in the replacement dam.

Depreciation is a loss from the upper limit of value caused by deterioration and/or obsolescence. Deterioration is evidenced by wear and tear, decay or developed structural defects. Obsolescence is divisible into two parts, functional and economic. Functional obsolescence is the effect caused by the impairment of functional capacity or efficiency of the property. Functional obsolescence reflects the loss in value brought about by such factors as over capacity, inadequacy, and changes in the art, that effect the property, itself. Economic obsolescence is the effect brought about by the impairment of the desirability of useful life of the property arising from economic forces such as changes in highest and best use, legislative enactments which restrict or impair property rights, and changes in supply-demand relationships. Since the parties agree the dam suffers no economic obsolescence then any loss in value from the cost of the dam of equal utility must be in the nature of a loss due to deterioration and/or a loss due to functional obsolescence. We will discuss each in turn.

Both appraisals purport to measure the loss in value due to functional obsolescence by calculating the cost of construction of a modern dam of equal utility to the existing dam. Any excess cost to construct a duplicate or exact replica of the existing dam is measured by determining the replacement cost of the modern dam of equal utility. As we have said earlier, we agree the proper replacement cost of a dam of equal utility is estimated by using 2,599,000 cubic yards of material as estimated by San Francisco's appraiser and using the cost per cubic yard to construct a modern dam. We accept San Francisco's cost-per-cubic-yard estimate as the more accurate since it is based upon the expert opinions of an engineering company and a contractor, both of which appear to us to be eminently knowledgeable on the subject of design and construction of dams. Data from WTF Constructors indicates the total replacement cost new for the dam is \$14,681,000. Data from Wahler Associates (engineers) indicates the replacement cost new for the dam is \$15,687,000. We conclude the replacement cost new for the dam is \$15,000,000.

We next turn to discussion of the dam's loss in value from replacement cost new because of deterioration. In our view both appraisals mishandle this adjustment. We observe from the assessor's appraisal that the major portion of replacement cost new is in the embankment portion of the structure. The concrete spillway and outlet works are minor in cost in comparison to the cost of the embankment. Testimony at the hearing led us to conclude that the dam is safe and serviceable for the purpose of impounding water in the reservoir and, therefore, could not have suffered any significant deterioration over the years. In fact, evidence was given that the dam had been substantially modified in recent years to bring the structure to structural soundness in accord with present day standards. Therefore, we conclude San Francisco's allowance of 33 percent for deterioration based upon the dam being 50 years old with an estimated 150 year life is an excessive allowance for deterioration. The assessor allowed 4 percent for deterioration based upon a 5-year effective age and a 125-year life. San Francisco suggests a loss of value for deterioration between \$4,845,000 to \$5,177,000. The assessor suggests a loss of value for deterioration of \$816,796. Considering little or no deterioration has occurred in the embankment, itself, that most of the deterioration which has occurred is in the spillway and outlet works, and the fact that minimal detail was offered on the subject of deterioration, we find that \$2,500,000 is a reasonable estimate for the loss of value from replacement cost new for deterioration in the total structure including the embankment and the spillway and outlet works.

We are, therefore, of the view that a reasonable estimate for the value of Calaveras Dam is \$12,500,000 as of lien date March 1, 1975. That value being essentially the same as the assessor's 1975 value as determined on September 15, 1983, of \$12,535,406, we, therefore, conclude the assessor's roll value is correct for the assessment of Calaveras Dam. Accordingly, this value of \$12,535,406 shall be the value used for the 1975 value when determining the value of Calaveras Dam under the provisions of article XIII, section 11.

5. San Francisco contends its Calaveras Dam property should be appraised as if the dam were public utility property regulated by the California Public Utilities Commission. If so regulated, it asserts the maximum value of its Calaveras Dam would be \$2,700,000.

We reject San Francisco's contention. The property is not, in fact, regulated by the California Public Utilities Commission. Any valuation model based upon such a hypothetical presumption is highly speculative. Petitioner's property would come under the California Public Utilities Commission regulation only if California statutes are extensively amended or if the petitioner should sell its property into private ownership. There are no facts in the record to suggest the likelihood of either event.

Accordingly, we find it unnecessary to discuss whether petitioner's appraisal calculations would yield a correct representation of market value as of March 1, 1975.

6. Remaining Issues.

We have considered all issues raised by petitioner. However, in light of the conclusions set forth above, we find it unnecessary to discuss the remaining issues in detail. For the reasons already stated, we conclude that petitioner's other arguments must be rejected.

CONCLUSION

Except as above noted, we are not persuaded by the evidence and arguments presented by San Francisco. Although San Francisco has shown the appraisal presented by the assessor of Alameda County was incorrectly calculated, the evidence in total shows that the 1975 value of Calaveras Dam now on the roll is correct. Calaveras Dam shall, therefore, be valued for lien date March 1, 1975, at \$12,535,406. The Alameda County assessor shall use this value for determining the assessment of Calaveras Dam under California Constitution article XIII, section 11. Accordingly, San Francisco's application is in all

other respects denied, and the assessments for assessment years 1979, 1980, 1981, 1982, 1983 and 1985 shall be accordingly adjusted.

Decision rendered in Sacramento, California, the _____ day of November, 1986, by the State Board of Equalization.

Dated at Sacramento, California
November____, 1986

Chairman

Member

Member

Member

Member

RRK/rz